

terrestrial broadcast would also meet the needs of the cable industry.<sup>61</sup>

After years of effort making the ATSC DTV system compatible with cable, the cable industry is now opposing the standard.<sup>62</sup> Significantly, NCTA does not claim that the ATSC DTV standard is technically inconsistent with cable operations. To the contrary, NCTA states expressly that:

Our Comments should not be read to be critical of the particular DTV standard recommended by the Advisory Committee on Advance Television Service (Advisory Committee)<sup>63</sup>.

Cable's retreat from supporting the standard should be seen for what it really is – a potentially anticompetitive move to control the digital gateway to the home through set top boxes. These recent events (and the motives that underlie them), provide compelling evidence that the FCC must act to ensure cable does not frustrate the deployment of free, over-the-air digital television.

Both Congress and the FCC have recognized the importance of local television stations securing carriage on cable systems without material degradation of the broadcast signal. See Communications Act, Section 614 (b)(4)(A). In the 1996 Telecommunications Act, this concern was extended to telephone company open video systems. These concerns are particularly relevant to the deployment of digital television.

There is no question that lack of compatibility between the broadcast DTV standard and standards adopted by competitive multichannel providers (especially cable) will seriously undermine the rapid deployment of digital television. A local television station would be reluctant to invest in new HDTV digital technology, if 60 percent of its audience could not receive high quality pictures because of incompatible cable equipment.

Absent compatible standards, equipment may not be produced that will allow access

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<sup>61</sup>See Comments of the Digital HDTV Grand Alliance at 27.

<sup>62</sup>See Comments of NCTA at 5; Comments of Telecommunications, Inc. at 4.

<sup>63</sup>See NCTA Comments at 2. Similarly, TCI cites to no specific part of the ATSC-DTV standard that would make it incompatible with cable operations.

to both broadcast DTV and cable programming. Consumers may be forced to purchase either a cable-ready digital television set or a broadcast-ready digital television set. This would certainly diminish the economies of scale that are necessary for rapid deployment. Alternatively, to accommodate various digital standards, television set manufacturers may have to include additional electronics to decode separate broadcast and cable digital standards. This would raise the price, hence lower the demand for these new sets. These problems would be compounded if other mass media, e.g., DBS and MMDS, deploy incompatible systems. At the very least, consumers will be forced to buy numerous set top boxes to gain access to the various media distribution systems. Ensuring compatibility will not only reduce consumer costs but it will stimulate competition among the various distribution systems.

ALTV believes the FCC should step forward in this proceeding to insure compatibility. To the extent the ATSC DTV system was specifically developed with cable in mind, the best option would be for the FCC to require cable and other video distribution systems to adopt this standard.

We recognize that implementation of broadcast digital television will parallel the roll out of cable system upgrades to digital transmission. There are several possible scenarios depending on television receivers and whether a cable system has upgraded its facilities from analog to digital. The four possible scenarios outlined in the Broadcaster's Comments are:

1. DTV broadcast signal, analog cable system, NTSC set.
2. DTV broadcast signal, digital cable system, NTSC set.
3. DTV broadcast signal, analog cable system, DTV set.
4. DTV broadcast signal, digital cable system, DTV set.<sup>64</sup>

ALTV is in general agreement with the proposal contained in the Broadcasters' Comments. The policy outlined for each scenario provides a reasonable mechanism for addressing the problems of both broadcasters and cable operators. Scenarios one and three are essentially the same. In each instance cable should be required to pass the digital signal without

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<sup>64</sup>See Broadcasters' Comments at 29.

converting it to analog. The pass through of the Grand Alliance 8-VSB standard was tested and found by ACATS to be technically feasible on analog cable systems.<sup>65</sup> Presumably the first scenario will exist only for a short time as consumers begin to purchase digital television sets or converter boxes.<sup>66</sup> Under the third scenario, the pass through of a broadcaster's digital signal would directly benefit consumers with digital television sets. It would prevent cable operators from reducing the value of these new sets by down-converting the signal to analog.

As for the second scenario, the FCC should ensure that cable systems are not in a position to discriminate against digital broadcast signals. Presumably consumers will purchase digital television sets or set top boxes capable of decoding digital signals for their analog television sets. Nonetheless, to the extent that a cable system down-converts digital cable programming for viewing on analog television sets, it should not be allowed to discriminate in an anticompetitive fashion.

In the fourth scenario cable should be required to adopt the ATSC digital standard so that affordable receivers can be built to decode both cable and broadcast signals. In any event, cable systems should not be permitted to degrade digital broadcast signals.

## **V. CONCLUSION**

The Grand Alliance digital system is the most advanced and the most tested terrestrial digital broadcast system on the planet. The FCC has had over six months to evaluate and adopt the ATSC DTV standard. If the FCC truly wants to see the rapid deployment of free, over-the-air digital television it will adopt the standard in its entirety – now! Continued theoretical debate over possible future improvements should not delay the process. The perfect should not become the enemy of the good. In the words of the ubiquitous NIKE commercials – Just Do It!

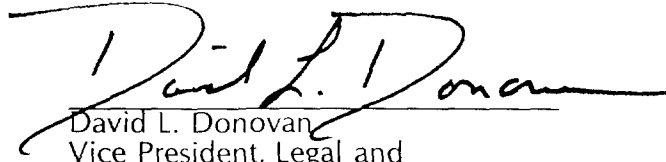
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<sup>65</sup>See Broadcasters' Comments at 31.

<sup>66</sup>We generally support the position taken in the Broadcasters' Comments with respect to scenario one. Nonetheless, we believe the FCC should approach this with caution. The presence of digital broadcast signals will stimulate the demand for digital television sets. There may be situations in certain markets, however, where cable systems could use this approach in a discriminatory fashion.

Respectfully submitted,

ASSOCIATION OF LOCAL TELEVISION STATIONS,  
INC.

A handwritten signature in black ink, reading "David L. Donovan". The signature is written in a cursive style with a large, sweeping "D" at the beginning and a long horizontal stroke at the end.

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